



Prepared by

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The manual is intended to explain the concept of employer-sponsored vanpooling and its benefits to both vanpool drivers and riders, while serving as a practical guide for implementation of such a program.

NOTE: While the material contained in this manual will serve as a base for the formation of vanpools, in some cases, reference to the availability of information from the Knoxville Commuter Pool is not applicable to many areas.

possible savings and "profit," and
to the cost and effort involved in
a vanpool. This booklet should assist in making this comparison
whether to start your own vanpool. The following pages include

1. Why Start A Vanpool?
2. Vanpooling Saves You Commuting Costs
3. How To Start And Operate A Vanpool
 - Finding riders is easier than you think
 - Obtaining insurance coverage: check before you buy
 - Selecting and financing the van: the options and costs
 - Getting organized
4. Figuring Your \$\$ Savings and

If you wish to carry just a few passengers and
you pay for only *part* of the van, this booklet also should help.
assistance is available from the Knoxville Commuter Pool to pay



Paul Armstrong

"It's cheaper."

"We drive to work free."



William Pattison

"We have our own commuting business."

"I saved 22% on my insurance on my family car."

"Our plant gave us preferred parking. It sure is nice to be close to the entrance when it's raining."



Charlie I.



spent about \$1,612.80 per year. By vanpooling, these drivers in effect receive a tax free salary increase of \$134.40 per month reducing their own commuting expense.

- Vanpool drivers can make a "profit"--over and above their personal commuting savings. You can make extra income and still be doing your riders a favor by saving them money and effort.
- By operating a vanpool, there are a number of tax savings you can deduct from your personal tax bill.
- Most drivers simply enjoy driving a van. For many, it is more satisfying to operate a van than the usual family car.
- Van owners, if they wish, can sell the car they used to commute with and pocket the dollars. The van can be paid for from the rider fares. Or, if your commuter car is worn out, you can save the cost of investing in a new car.
- Drivers who keep the car they previously commuted with may lower their insurance costs by informing their agent that the car is longer used for commuting.
- Somewhat unexpected, results have shown that the drivers consider the social company of the riders to be another benefit. It is also satisfying to them to do their part in reducing traffic congestion, cutting pollution and conserving energy.

other two thirds. Your car is losing value every day, even if it is new. Maintenance costs, although perhaps infrequent, add up over the period of a year. The same goes for insurance costs and tire replacement costs. The U.S. Department of Transportation computed cost averages for different types of cars in 1975. These are shown in Table 1.

Based on the figures in Table 1, it is possible to estimate the actual cost of operating a commuting automobile as follows:

A EXAMPLE - How to figure your present commuting cost (traveling 30 miles round trip)

1. MULTIPLY

$$\begin{array}{rcl} (.16) \times (30) & = & \underline{\$4.80} \\ \text{Cost} & \text{Miles} & \\ \text{per mile} & \text{per day} & \end{array}$$

2. ADD

$$\text{Daily parking cost} + \underline{0}$$

$$3. \text{ TOTAL DAILY COST} = \underline{\$4.80}$$

4. MULTIPLY DAILY COST

$$\begin{array}{rcl} \text{By number of working} & & \\ \text{days per month} & \times & 21 \end{array}$$

TABLE 1

PER MILE COST OF VARIOUS SIZE CARS

from U.S. Department of Transportation - Federal Highway Administration

Vehicle Cost Appreciated	Maintenance Accessories, Parts & Tires	Gas & Oil (Excluding Taxes)	Insurance
4.5¢	3.7¢	5.5¢	1.7¢
4.2¢	3.4¢	5.3¢	1.6¢
2.9¢	2.7¢	4.7¢	1.5¢
2.3¢	2.5¢	3.8¢	1.5¢

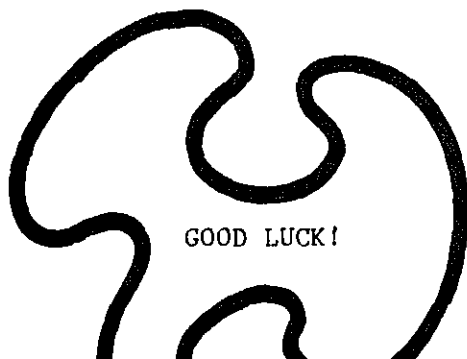
By number of working
days per month x _____

5. COST PER MONTH TO
DRIVE ALONE = \$ _____

This figure probably seems high, but it is not. If you wish all the above expenses for your vehicle over an average year and an even more accurate figure. But be certain to include *all* the for an *average* year. (If you pay \$5,000 for a new car plus \$1,000 charges to finance it, then sell it after four years with 60,000 \$1,500, just depreciation and finance charges are costing you 7½ mile.)

A vanpool can "spread" the cost across the riders at a level pay the cost of your share. In addition, by keeping your van full to capacity, you can earn additional income. Table 2 shows how well as driver can save by riding in a vanpool.

the number of round-trip miles your van will commute each day.
figures and the worksheet you can easily estimate how your vanp
operate financially.



GOOD LUCK!

Gas	\$ 0.060/mi.
Maintenance	0.015/mi.
Tires	0.015/mi.
Oil	0.003/mi.

\$ 0.093/mi.

X 840 (Monthly Mileage)

Total Operating Expense	78.12	X 1
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Fixed:

Insurance	\$ 31.67
License	1.54
Interest	36.60

Depreciation

\$ 7,000.00 Original Cost
- 1,500.00 Salvage Value

\$ 5,500.00 Depreciable Cost ÷ 48 mos.	114.58
Sales Tax \$320.00 ÷ 48 mos.	<u>6.67</u>

Total Fixed Expense	<u>191.06</u>	X 1
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Gross Income	0.26
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Non-Cash Expense (Depreciation and Interest)	<u>+151.18</u>	X 1
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Cash Flow	151.44
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Required Payment for Loan	<u>-189.10</u>	X 1
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X _____ (Monthly Mileage)

Total Operating Expense _____ X 12

Fixed:

Insurance

License _____ 1.54

Interest _____

Depreciation

\$ _____ Original Cost

- _____ Salvage Value

_____ Depreciable Cost ÷ _____ mos. _____

Sales Tax (\$ _____ ÷ _____ mos.) _____

Total Fixed Expense _____ X 12

Gross Income _____ X 12

Non-Cash Expense (Depreciation and Interest) + _____ X 12

Cash Flow _____ X 12

Required Payment for Loan - _____ X 12

Net Cash Flow _____ X 12

Net Cash Flow

(\$37.66)

\$

In our example:

With No down payment and a monthly payment of \$38.18, the d

- (a) a free ride to work,
- (b) a new van available for personal use,
- (c) a clear title to the van at the end of the four ye

II. The Driver Agrees:

1. to provide efficient transportation on a daily basis;
2. to be on time in picking up the rider and to wait three minutes if the rider is not ready;
3. to advise the rider five days in advance of payment the amount the rider owes for the next month of transportation;
4. to promptly notify the rider in case of van failure, and in the event transportation is not provided, to refund the excess of any fare collected.

III. Termination of Agreement:

1. the rider can terminate this agreement by giving the driver 30 days written notice or by securing a substitute rider that is acceptable to the management (in which case termination will be effective when a new rider is signed by the substitute rider).
2. the driver can terminate this agreement upon 30 days written notice to the rider, or immediately if driver has "cause" for termination of the agreement (The management of the Knoxville Commuter Pool will determine if there has been sufficient cause and the driver will refund any excess fare collected from the rider.)

IV. Dispute Settlement:

In the event of any dispute concerning this agreement as to the rights and duties of the respective parties or as to the meaning or interpretation of this agreement, the rider and the driver agree to appeal to the management of the Knoxville Commuter Pool for a decision. The driver and rider will be bound by the decision reached by the management of the Pool.